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U.S. Department of Agriculture

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION

1941 WHEAT CROP INSURANCE REGULATIONS



Issued June 14, 1940

UNITED STATES GOVERNMENT PRINTING OFFICE
WASHINGTON : 1940

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1941 WHEAT CROP INSURANCE REGULATIONS

By virtue of the authority vested in the Federal Crop Insurance Corporation by the Federal Crop Insurance Act, approved February 16, 1938, as amended by Public Law No. 691, 75th Congress, approved June 22, 1938, these regulations are hereby published and prescribed to be in force and effect, with respect to the 1941 Wheat Crop Insurance Program, until amended or superseded by regulations hereafter made.

The Federal Crop Insurance Program for wheat is part of the general program of the United States Department of Agriculture administered for the benefit of agriculture.

PART I. Definitions

SEC. 1. Meaning of terms.—For the purposes of the 1941 Wheat Crop Insurance Program, the term—

Department means the United States Department of Agriculture.

Secretary means the Secretary of Agriculture of the United States.

Corporation means the Federal Crop Insurance Corporation.

Board means the Board of Directors of the Corporation.

Manager means the Manager of the Corporation.

Branch manager means the representative of the Corporation in charge of a branch office of the Corporation.

Insurance contract means the contract of insurance entered into between the applicant and the Corporation by virtue of the application for insurance and these regulations and amendments thereto.

Application means a properly executed form prescribed by the Corporation for the purpose of applying for insurance.

Base period means the crop years 1930–39, inclusive.

Adjusted average yield means the wheat yield established by the Federal Crop Insur-

ance Corporation for the farm under the 1941 Wheat Crop Insurance Program on the basis of the yields of wheat per seeded acre on the farm during the base period, with adjustments by the Corporation; or, on the basis of appraisal where reliable and applicable data with respect to yields of wheat per seeded acre on the farm during the base period are not available.

Insured percentage means the percentage of the adjusted average yield for the farm covered, or to be covered, by insurance, and shall be either 50 or 75 percent.

Total insured production means the maximum number of bushels for which the insured may be indemnified under the insurance contract.

Premium for the insurance contract means the product of the acreage of the wheat crop seeded on the farm not in excess of the maximum insurable acreage, the premium rate per acre, and the applicant's interest in the wheat crop.

Wheat crop means all seeded winter wheat and spring wheat on the farm in any crop year which is normally harvested in that crop year but does not include volunteer or self-seeded wheat, succotash or true-type winter wheat seeded in the spring.

Maximum insurable acreage means the maximum number of acres of the wheat crop on the farm covered by the application which may be insured. Such acreage shall be (1) the wheat acreage allotment in the case of an allotment farm, (2) the permitted acreage of wheat in the case of a nonallotment farm, (3) the proportionate share of the wheat acreage allotment or permitted acreage, whichever is applicable, in the case of a field-rented tract constituting part of a farm, or (4) the proportionate share of the total wheat acreage allotment or permitted acreage, whichever is applicable, in the case of a farm joined with one or more farms to

constitute one farm under the 1941 Agricultural Conservation Program.

Proportionate share in the case of such field-rented tract shall be the acreage of wheat seeded unless the wheat allotment or permitted acreage for the farm is exceeded, in which case the proportionate share shall be the same percentage of the acreage seeded to wheat on such tract that the total wheat acreage allotment or permitted acreage, whichever is applicable, for the farm is of the total acreage seeded to wheat on the farm.

Proportionate share in the case of such farm joined with one or more farms to constitute one farm under the agricultural conservation program shall be the acreage seeded to wheat on such farm unless the total wheat acreage allotment or permitted acreage for the combined farms is exceeded, in which case the proportionate share shall be the same percentage of the acreage seeded to wheat on such farm that the total allotment or permitted acreage, whichever is applicable, is of the acreage seeded to wheat on all such farms.

Crop year means the period within which a wheat crop is normally seeded and harvested. A crop year shall be designated by reference to the calendar year in which the wheat crop is normally harvested.

Person means an individual, partnership, association, corporation (including private and governmental), estate, or trust, and, wherever applicable, a State, a political subdivision of a State, or any governmental agency.

Landlord or owner means a person who owns land and rents such land to another person or operates such land.

Tenant means a person other than a sharecropper who rents land from another person (for cash, a fixed commodity payment, or a share of the proceeds of the crops) and is entitled under a written or oral lease or agreement to receive all or a share of the proceeds of the crops produced thereon.

Sharecropper means a person who works a farm in whole or in part under the general supervision of the operator and is entitled

to receive for his labor a share of the proceeds of the crop produced thereon.

Harvesting means any severance of mature wheat.

Harvesting as grain means any severance of mature wheat for the purpose of using the same for grain, whether or not threshed.

County means a political or civil division or local administrative area of a State.

County committee means the group of persons elected within any county to administer the agricultural conservation program in such county.

State committee means the group of persons designated within any State to administer the agricultural conservation program in such State.

Farm means all adjacent or nearby farm land under the same ownership which is operated by one person, including also any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops: *Provided, however,* That where any tract or tracts of such farm land vary widely from the remainder of such farm land in productivity, topography, farming practices, or risk of loss, such tract or tracts, in accordance with instructions issued by the Manager, may be considered a separate farm.

A farm shall be regarded as located in the county in which the principal dwelling is situated, or, if there is no dwelling thereon, it shall be regarded as located in the county in which the major portion of the farm is located.

Basic market means the market designated by the Corporation for the computation of the cash equivalent of premiums, deposits, refunds, or indemnities for the area in which the farm is located: *Provided, however,* That if the Corporation finds that the basic market designated in connection with any such computation is inapplicable due to changes in market conditions, the Corporation shall designate another basic market in connection with any other of such computations.

Price differential means the amount per

bushel fixed by the Corporation to represent the difference in wheat prices for the applicable basic market and the county in which the farm is located, or the local shipping station for the farm, whichever the Corporation determines is applicable.

Flat wheat means wheat that has no transit privileges.

PART II

Conditions Governing Applications for Insurance, the Insurance Contract, and the Insurance Period

SEC. 20. Application for insurance.—(a) Application for insurance shall be made upon a form prescribed for such purpose by the Corporation. Any person who has an interest as landlord, owner, tenant, or sharecropper in a wheat crop to be seeded on a farm may apply for insurance to cover his interest in such crop.

(b) An application shall cover the applicant's interest in the wheat crop to be seeded on a farm (except as provided in subsection (d) of this section) if his interest is the same in the wheat to be seeded on all tracts constituting the farm, and if the persons other than the applicant having an interest in the wheat to be seeded are the same with respect to all tracts. The applicant shall file a separate application for each tract or tracts with respect to which the applicant's interest in the wheat to be seeded differs from his interest in the wheat to be seeded on another tract or tracts within the farm. The applicant shall also file a separate application for each tract with respect to which the other person or persons having an interest in the wheat to be seeded on such tract are different from the person or persons having an interest in the wheat to be seeded on the other tract or tracts within the farm.

(c) Where a farm consists of both irrigated and nonirrigated land, the Corporation may require the submission of an application covering the irrigated land and an application covering the nonirrigated land. Where a farm is divided into two or more farms due to

differences in productivity, topography, farming practices, or risk of loss, the Corporation may require the submissioin of applications on all such farms.

(d) An application may be submitted covering only spring wheat to be seeded on a farm where winter wheat has been seeded on acreage other than the acreage to be seeded to spring wheat, but, as provided in part VI of these regulations, the total production of wheat for the purpose of determining the amount of loss under the insurance contract shall include the production from both winter and spring wheat.

(e) The application must be submitted at the office of the county committee, together with the premium, before the beginning of the seeding of the wheat crop (or the seeding of the spring wheat where an application is submitted, in accordance with the provisions of subsection (d) of this section), or the final date established by the Corporation for the submission of applications in the area in which the farm is located, whichever occurs first.

SEC. 21. Acceptance of applications by the Corporation.—Acceptance of an application by the county committee shall be acceptance on behalf of the Corporation: *Provided, however,* That the adjusted average yield and the premium rate specified in the application are in accordance with the adjusted average yield and the premium rate approved by the Corporation for the farm covered by such application: and *Provided, further,* That such application is submitted in accordance with the provisions of the application, these regulations and any amendments thereto. Acceptance of the application shall be evidenced by the delivery to the applicant of a copy of the application signed by a member of the county committee.

The right is reserved to reject any application for insurance, or to limit the insured percentage to 50 percent of the adjusted average yield for the farm, in any case where the county committee determines that the risks

to be incurred under the insurance contract warrant either such action.

SEC. 22. *Period of insurance.*—Insurance under the insurance contract shall attach at the time the wheat crop is seeded if the premium is paid.

The insurance shall cease with respect to any portion of the insured crop upon threshing (unless combined, field-sacked, and remaining in the field, in which event the insurance shall not cease for 120 hours thereafter) or removal from the farm, but in no event later than noon of the 30th day of September 1941, unless such time is extended in writing by the Corporation. Noon means noon of standard time at the place where the farm is located.

SEC. 23. *Fraud, misrepresentation, etc.*—The entire insurance contract shall be voidable, and the premium paid thereon shall be forfeited, at the election of the Corporation, if the insured has concealed or misrepresented, or conceals or misrepresents, any material fact or circumstance concerning the insurance contract or the subject thereof, or if the interest of the insured in the crop covered hereunder be not truly stated in the application, or if the insured is guilty of any fraud or makes any false statements relating to the insurance contract or the subject thereof, whether before or after a loss, or if the insured shall neglect to use all reasonable means to develop, care for, and save the entire crop covered by the insurance contract, whether before or after damage has occurred.

SEC. 24. *Modification of insurance contract.*—No notice to any county committee or representative of the Corporation or knowledge possessed by any such county committee or representative or by any other person shall be held to effect a waiver or change in any part of the insurance contract or estop the Corporation from asserting any right or power under such contract; nor shall the terms of such contract be waived or changed except as authorized in writing by a duly authorized officer or representative of the Corporation; nor shall any provision or con-

dition of this insurance contract or any forfeiture be held to be waived by any delay or omission by the Corporation in exercising its rights and powers hereunder or by any requirement, act, or proceeding, on the part of the Corporation or of its representatives relating to appraisal or to any examination herein provided for.

SEC. 25. *Insurance contract voidable unless full compliance.*—Failure to give any notice to the Corporation or to furnish proof of loss within the time and in the manner prescribed herein, or failure to comply with any of the terms, conditions, or covenants of the insurance contract, shall render the insurance contract voidable and, at the election of the Corporation, shall constitute a forfeiture of the premium paid.

PART III

Time and Manner of Payment of Premiums and Tender of Deposits

SEC. 30. *Time and place of payment of premiums.*—Premiums shall be payable at the office of the county committee for the county in which the farm is located. Premiums may be paid either in wheat or the cash equivalent thereof at the option of the insured. Premiums shall be payable at the time the application is taken and in no event shall a premium be accepted after the beginning of the seeding of the wheat crop, except as provided in subsection (d) of section 20, or after the date specified by the Corporation as the closing date for the receipt of applications, whichever occurs first. However, an additional payment supplementing a premium payment may be accepted after seeding and within the time prescribed by the Corporation, (1) in the case of an insurance contract covering the farm for which a premium payment was made on the basis of the wheat allotment or permitted acreage under the 1941 agricultural conservation program and, due to a combination of such farm with another farm or farms to constitute one farm under the 1941 agricultural conservation program, the maximum insurable acreage for

such contract is in excess of such allotment or permitted acreage, (2) in the case of a field-rented tract upon which an acreage of wheat has been seeded in excess of the acreage for which premium payment was made and the acreage of wheat seeded on all tracts constituting the farm does not exceed the acreage allotment or permitted acreage for the farm under the 1941 Agricultural Conservation Program, and (3) in the case of an insurance contract based on special practices when the acreages of wheat seeded to special practices differ from the acreages of special practices on which premium payment was made.

SEC. 31. Deposits to be applied toward future premiums.—Any person who submits an application may tender, at such time only, with his premium payment, except where his premium is being paid by means of an advance from the Secretary, a deposit of wheat or cash in an amount not in excess of his premium payment toward the payment of future premiums. The Corporation reserves the right to reject the tender of any deposit.

The acceptance of any deposit by the Corporation shall not obligate the Corporation to insure the interest of the depositor in any future insurance program, and any insurance contract to which such deposit is applied in payment of the premium will be subject to the provisions of the regulations applicable with respect to such insurance contract.

A depositor shall have no title or interest in any wheat (including any wheat deposited) held by the Corporation. The Corporation shall be liable to the depositor only for the cash equivalent of the quantity of wheat credited or to be credited to the depositor's account, such cash equivalent to be determined in accordance with the provisions of sections 32 and 40 of these regulations.

SEC. 32. Payment of premium or tender of deposits in cash equivalent.—The payment of premiums in the cash equivalent shall be made in cash, check, money order, or bank draft payable to the Treasurer of the United States, or by means of an advance from the

Secretary. The tender of deposits in the cash equivalent shall be made in cash, check, money order, or bank draft payable to the Treasurer of the United States. All checks and drafts will be accepted subject to collection and premiums or deposits shall not be regarded as paid unless collection is made.

The cash equivalent of any premium or deposit shall be determined by multiplying the number of bushels of wheat of the applicable class and grade constituting the premium or deposit by the price of such wheat at the current basic market designated by the Corporation, less the price differential. The price of such wheat at the current basic market shall be the price, as determined by the Corporation, for the day when the premium is paid or the deposit is made.

The cash equivalent of an additional payment supplementing a premium payment shall be determined by multiplying the number of bushels of wheat of the applicable class and grade constituting such additional payment by the price of such wheat used for the computation of the original premium payment.

SEC. 33. Payment of premium or tender of deposits in wheat.—(a) When premiums are paid in wheat, such payments shall be made by the delivery of a negotiable warehouse receipt, or some other instrument acceptable to the Corporation (both hereinafter referred to as "warehouse receipt"), representing the number of bushels of wheat of merchantable quality constituting the current year's premium and representing wheat of the class specified in the application and the grade specified for such class by the Corporation for the current year's premium. Tender of deposits in wheat shall be made in a similar manner. Warehouse receipts shall be accepted only when issued by a warehouse designated by the Corporation. No warehouse receipt will be accepted as a payment of premium or tender of deposit unless it is received at the office of the county committee within the time fixed by the Corporation and unless there are no warehouse charges or other liens outstanding against the wheat

represented by the warehouse receipt other than the usual charges for receiving and storage, if any, for a period not in excess of ten days prior to the date the payment or tender was made. Premiums or deposits shall not be regarded as paid unless the warehouse receipts representing wheat tendered in payment of the premium or the deposit are accepted by the Corporation. One warehouse receipt representing wheat may be tendered to cover both the premium and the deposit.

(b) If, for any reason whatsoever, it appears at any time that the transfer of a warehouse receipt, whether received by the Corporation or its agent as payment of premium or deposit, did not convey to the Corporation complete and unencumbered title to the receipt and the wheat represented thereby, except for the usual charges for receiving and storage not in excess of ten days, or if at any time the Corporation's title to such receipt or the wheat represented thereby is questioned by any person, then, unless the question of title to or charges against such wheat is immediately settled without cost to the Corporation, the Corporation shall not be liable for the payment of any indemnity under the insurance contract for which such receipt was tendered as premium and shall not be liable for a deposit or refund because of the tendering of such receipt. Any payment of indemnity or refund of premium made under the insurance contract for which any such receipt was tendered as premium, and any refund of deposit, shall be returned to the Corporation without limiting any other right or remedy of the Corporation. Any charges or cost to the Corporation in connection with such warehouse receipt, or the wheat represented thereby, may be set off against any indemnity which may be or may become due under any insurance contract entered into with the applicant or in which he may have an interest. Settlements necessitated by the transfer of receipts failing to convey complete and unencumbered title to the receipt and the wheat represented thereby shall be on the basis of the cash

equivalent applicable on the date when such receipt was tendered to the Corporation.

SEC. 34. Disposition of 1940 crop year deposits.—Any amount which is on deposit with the Corporation pursuant to the 1940 Wheat Crop Insurance Regulations, as amended, shall be applied in payment of the premium for any insurance for which the depositor's application is accepted. Any amount of such deposit in excess of the premiums required for any such application shall be refunded to the depositor in accordance with the 1940 Wheat Crop Insurance Regulations, as amended, unless the depositor elects to have such amount redeposited and become a deposit subject to the provisions of these regulations. Any amount of excess premium paid by means of the application of any such deposit shall be refunded in accordance with section 40 of these regulations.

SEC. 35. Conversion of cash into deposits of wheat.—Any tender of deposit made in cash will be credited to the depositor's account in terms of the wheat equivalent of such cash at the time the tender of deposit is made and will be deposited on the basis of the class and grade of wheat specified for the payment of the current year's premium. The wheat equivalent of any cash tendered for deposit will be determined on the same basis as that provided in section 32 of these regulations for the determination of the cash equivalent of a deposit.

SEC. 36. Application of wheat deposits towards premiums.—A deposit, at the direction of the depositor, will be applied by the Corporation toward the payment of the premium for any insurance for which the depositor's application is accepted. Where the deposit is to be applied toward a premium for an insurance contract covering a farm for which a different price differential is applicable, the depositor may be charged or credited with an amount of wheat, as determined by the Corporation, reflecting the difference between the price differential applicable at the place where the deposit was made and the price differential for the farm for which the application for insurance was made.

SEC. 37. Premium earned upon seeding.—Premiums shall be regarded as earned upon the seeding of the wheat crop.

SEC. 38. Minimum amount of premium.—The minimum amount of premium for any insurance contract shall be one bushel of wheat.

PART IV

Refund of Premiums and Deposits

SEC. 40. Computation of refunds; time of making refunds.—(a) Any refund of premiums, excess payment, or deposits shall be made only in the cash equivalent of the quantity of wheat to be refunded, less an amount, fixed by the Corporation, to cover storage and handling expenses. In no case shall such deduction exceed one-twentieth of one cent per day per bushel. The period for which such deductions shall be computed shall commence with and include the day following the day on which the premium was paid or the deposit was delivered. Such period shall end with and include the day on which payment of the refund is approved by the Corporation.

(b) No refund of a premium shall be acted upon by the Corporation until the acreage seeded to wheat on the farm covered by the insurance contract has been determined. Except as may otherwise be provided by the Corporation, no claim for refund of a deposit shall be considered prior to the final date fixed by the Corporation for the receipt of applications for the 1942 wheat crop insurance program in the county where the farm in connection with which the deposit was made is located. Nothing in this subsection shall be construed to restrict the Corporation's right to refund any deposit or premium at such earlier date as it may determine.

(c) The cash equivalent of any refund of a deposit shall be determined by multiplying the amount to be refunded in terms of bushels of wheat of the class and grade specified for the payment of the premium for the insurance

contract with respect to which the deposit was made by an amount computed by deducting the price differential applicable for the day the deposit was tendered from the applicable basic market price of such wheat at such time, whether or not such deposit was made in wheat or in the cash equivalent thereof.

(d) The cash equivalent of any refund, other than a refund of a deposit, shall be determined by multiplying the amount to be refunded in terms of bushels of wheat of the class and grade specified for the payment of the premium for the insurance contract by an amount computed by deducting the price differential applicable for the day the premium was paid from the applicable basic market price of such wheat at such time, whether or not such premium was paid in wheat or in the cash equivalent thereof.

(e) Any amount tendered in the payment of the premium in excess of the amount required as the premium for the insurance contract shall be refunded.

(f) No refund shall be made if the amount thereof is less than one bushel.

SEC. 41. Assignment or transfer of claims for refunds.—No claim for a refund, or any part or share thereof, or any interest therein, shall be assignable or transferable, notwithstanding any assignment of the insurance contract as security or any transfer of the insurance contract. Refund of any deposit will be made only to the depositor and refund of any other payment will be made only to the applicant or to the Secretary if the premium has been paid by means of an advance and the Secretary has not been reimbursed for the amount of the advance.

SEC. 42. Death, incompetency, or disappearance of person entitled to refund; change of fiduciaries.—In any case where a person who is entitled to a refund of premium or deposit has died, has become incompetent, has disappeared leaving his whereabouts unknown for a period of 150 days from the date the Corporation determines that a refund is due, or has ceased to act as a fiduciary, such refund will be made to his legal representative or successor. If no such legal

representative or successor has been appointed, or is otherwise legally qualified, and the quantity of wheat to be refunded before deduction of storage and handling expenses is less than 500 bushels, such refund may be made to any one or more of the persons beneficially entitled to share in such refund on behalf of all the persons so entitled upon proof of the facts satisfactory to the Corporation. The determination of the Corporation as to the existence or nonexistence of a circumstance in the event of which payment of a refund may be made to a person other than the person who paid the premium or made the deposit, as the case may be, shall be final and conclusive and payment in accordance with such determination shall constitute a complete discharge of the Corporation's obligation with respect to the refund.

PART V

Total Insured Production

SEC. 50. *Total insured production.*—(a) The total insured production for the insurance contract, except where special practices are accepted as the basis for insurance, shall be the product of the number of acres of the wheat crop seeded not in excess of the maximum insurable acreage, the adjusted average yield, the insured percentage, and the insured's interest in the crop: *Provided, however,* That where the amount of premium paid is less than the premium for the above-described acreage, the total insured production shall be adjusted in proportion to the amount by which the amount of premium paid is less than the premium for the above-described acreage.

(b) If special practices are used as the basis for insurance, the total insured production for the insurance contract shall be the sum of the totals of the insured production computed separately for each such practice, and the insured production for each such practice shall be the product of the acreage seeded for such practice, the adjusted average yield, the insured percentage and the insured's interest in the crop: *Provided, how-*

ever, That if the total acreage seeded for all such practices is in excess of the maximum insurable acreage, the number of acres used in computing the total insured production for each practice shall be the same percentage of the acreage seeded for each such practice as the maximum insurable acreage is of the total acreage seeded for all such practices, and: *Provided, further,* That where the amount of premium paid is less than the premium required, for the total acreage seeded for all such practices, the total insured production for the insurance shall be adjusted in proportion to the amount by which the amount of premium paid is less than the amount of the premium required for the acreage seeded to all such practices.

PART VI

Determination of loss

SEC. 60. *Notice during growing season.*—

(a) Immediately after the insured crop, or any portion thereof, has been transferred to another person, notice in writing thereof shall be given, on a form provided by the Corporation for that purpose, to the Corporation at the office of the county committee for the county in which the farm is located. (b) Immediately after material damage to the insured crop, or any portion thereof, the insured, if he wishes to dispose of such crop, or portion thereof, or to make some other use of the land seeded to such crop, or portion thereof, other than for the production of wheat, shall give notice thereof, in writing, on a form provided by the Corporation for that purpose, to the Corporation at the office of the county committee for the county in which the farm is located, containing such information as may reasonably be required regarding the damaged crop. The Corporation may make an investigation of the insured crop where it appears that the reported damage may be of such a nature as to result in a loss under the insurance contract. The Corporation shall have a reasonable period after receipt of such

notice in which to investigate the condition of the insured crop and appraise the yield of such crop, or portion thereof. Proper measures shall be taken to protect the crop from further damage until threshing, unless the Corporation gives its permission to devote the acreage seeded to wheat to some other use. No acreage seeded to wheat shall be considered as put to another use as long as there is any wheat on such acreage remaining for harvest. In no event shall there be any abandonment of any crop or portion thereof to the Corporation.

SEC. 61. Notice before harvest, removal, transfer, or other use.—Notwithstanding any other notice given as required by the insurance contract, if it is probable that there will be a loss under such insurance contract, notice in writing of the intention to harvest, remove, transfer, or make other use of the insured crop, or any portion thereof, shall be given to the Corporation, at the office of the county committee for the county in which the farm is located, in time to give the Corporation reasonable opportunity to inspect the insured crop before such harvest, removal, transfer, or other use.

SEC. 62. Time of loss.—Loss shall be deemed to have occurred at the time of the completion of threshing of the insured crop (unless combined, field-sacked, and remaining in the field, in which event the loss shall be deemed to have occurred upon the expiration of the insurance period) or noon of the 30th day of September, 1941, whichever occurs first, unless there is a total or substantially total destruction of the entire crop at an earlier time, in which event the loss shall be deemed to have occurred at the time of such total or substantially total destruction. The wheat crop shall be deemed to have been substantially totally destroyed if the Corporation finds that it has been so badly damaged that the farmers generally in the area where the farm is located would not further care for the crop for wheat production.

SEC. 63. Proof of loss.—If a loss is claimed,

the insured shall submit to the Corporation at the office of the county committee for the county in which the farm is located, on a form provided by the Corporation for that purpose, a statement in proof of loss containing such information as may reasonably be required regarding the insured crop. Such statement in proof of loss shall be submitted not later than thirty days after threshing, but in no event later than October 15, 1941, unless such time is extended in writing by the Corporation. It shall be a condition precedent to any liability under the insurance contract that the insured establish that any loss for which claim is made has been directly caused by a hazard insured against by the insurance contract during the term of the contract, and that the insured further establish that such loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against by the insurance contract.

SEC. 64. Amount of loss.—The amount of loss for which indemnity will be paid under this insurance contract shall be the amount by which the total production of wheat on the farm, or the portion of the farm covered by the insurance contract if the insurance contract does not cover the entire farm, multiplied by the percentage representing the insured's interest in the insured crop, is less than the total insured production for the insurance contract. Such total production, for the purpose of determining the amount of loss, shall include:

1. Wheat produced from any acreage, except succotash, volunteer or self-seeded wheat, and true-type winter wheat seeded in the spring, which was threshed;
2. Wheat production appraised from any acreage, except succotash, volunteer or self-seeded wheat, and true-type winter wheat seeded in the spring, which was not threshed, but which was otherwise harvested as grain;

3. Wheat production appraised from any acreage, seeded with the intention of harvesting as grain, which was not harvested as grain, was not threshed, but which, after maturity, was left standing in the field;
4. Wheat production appraised from any acreage, seeded with the intention of harvesting as grain, which was substantially totally destroyed and put to another use with the consent of the Corporation;
5. For acreage seeded with the intention of harvesting as grain which was not reseeded in areas and under circumstances where it is customary to reseed, a number of bushels equal to the quantity of wheat by which the actual production per acre is less than the product of (1) such acreage, (2) the adjusted average yield, and (3) the insured percentage;
6. For acreage seeded with the intention of harvesting as grain for which there was a complete failure in yield due to causes not insured against, or because the land or crop was put to some other land use or crop use without the consent of the Corporation, a number of bushels equal to the appraised reduction in production due to such causes or due to the land or crop being put to another use without consent of the Corporation. In no event shall such appraised reduction in production be less than the product of (1) such acreage, (2) the adjusted average yield, and (3) the insured percentage;
7. For acreage seeded with the intention of harvesting as grain which has been damaged by reason of causes not insured against, or which has been damaged or destroyed by reason of causes insured against and causes not insured against, a number of bushels equal to the appraised reduction in production due to causes not insured against;
8. For acreage seeded with the intention of harvesting as grain with respect to which the insured's interest is terminated by voluntary transfer or process of law before the crop is harvested, except as otherwise provided in section 81 of these regulations, a number of bushels equal to (1) the product of such acreage, the adjusted average yield, and the insured percentage, or (2) the actual production from such acreage, whichever is higher;
9. For the acreage seeded with the intention of harvesting as grain on land of poorer average quality for the production of wheat than the average quality of the land seeded to wheat on the farm during the base period, where such seeding is not the result of a regularly established rotation, a number of bushels equal to the product of (1) such acreage, (2) the insured percentage, and (3) a quantity of wheat representing the difference between the adjusted average yield and the yield per acre appraised on the basis of the quality of land so seeded. This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause;
10. For the acreage seeded with the intention of harvesting as grain for which the risk to the Corporation has been increased by reason of the seeding of a different class of wheat than the class of wheat considered in establishing the ad-

justed average yield, a number of bushels equal to the product of (1) such acreage, (2) the insured percentage, and (3) a quantity of wheat representing the difference between the adjusted average yield and the yield per acre appraised on the basis of the class of wheat seeded. This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause;

11. For the acreage seeded with the intention of harvesting as grain for which the risk to the Corporation has been increased by reason of following different fertilizer or farming practices than those considered in establishing the adjusted average yield, a number of bushels equal to the product of (1) such acreage, (2) the insured percentage, and (3) a quantity of wheat representing the difference between the adjusted average yield and the yield per acre appraised on the basis of the fertilizer or farming practices followed. This adjustment shall be made notwithstanding that damage or total destruction of the insured crop occurs by reason of any other cause;

12. For the acreage seeded with the intention of harvesting as grain, which is insured on the basis of irrigation (except where irrigated and nonirrigated yields have been established for the farm) and on which the necessary irrigation water was not applied or was not applied at the proper time or in the proper manner, a number of bushels equal to the appraised reduction in production due to any such cause. This adjustment shall be made notwithstanding

that damage or total destruction of the insured crop occurs by reason of any other cause. No adjustment shall be made if no water was available for irrigation purposes on the farm because of natural causes or if the amount of irrigation water available was insufficient, due to natural causes, for all the irrigated crops and the amount of water available was distributed among the irrigated crops so that as large a proportion of the acreage in the wheat crop was protected by irrigation water as the acreage of other crops under irrigation on the farm.

SEC. 65. Records, access to farm.—The insured shall keep, or cause to be kept, records of the harvesting, threshing, storage, shipment, sale, or other disposition, of all wheat produced on the farm, which will be made available for examination by the Corporation, and he shall cooperate with the county committee in the establishment of data with respect to the production of wheat on the farm. As often as may reasonably be required, any person or persons designated by the Corporation will have access to the farm.

PART VII

Time and Manner of Payment of Indemnity

SEC. 70. When indemnity payable.—The amount of loss for which the Corporation may be liable under any insurance contract shall be payable within 30 days after satisfactory proof of loss is approved by the Corporation. Notwithstanding the fact that payment of any indemnity is delayed for any reason beyond the time specified, the Corporation shall not be liable for interest or damages on account of such delay.

SEC. 71. Manner of payment of indemnity.—The indemnity under any insurance contract for which the Corporation may be liable shall be paid in wheat or the cash

equivalent thereof. The insured may indicate in his statement in proof of loss whether he wishes the indemnity to be paid in wheat, in cash equivalent by immediate settlement, or in cash equivalent by deferred settlement, but the Corporation reserves the right to make payment in a form other than that indicated by the insured.

SEC. 72. Payment of indemnity in cash.—(a) Where an indemnity is paid in cash equivalent by immediate settlement, the amount thereof shall be computed by multiplying the amount of loss, in terms of bushels of wheat, of the class and grade specified for the payment of the premium for the insurance contract, by the price of such wheat at the current basic market, as determined by the Corporation, less the amount per bushel fixed by the Corporation representing the price differential. The current basic market price for any class or grade of wheat at such basic market shall be the basic market price, determined by the Corporation, for the day when the claim for indemnity is approved for payment by the Corporation.

(b) Where an indemnity is paid in the cash equivalent by deferred settlement, a notice of the approval of the statement in proof of loss will be sent to the insured indicating the number of bushels of indemnity due and giving notice of the date of approval. The insured, on a form prescribed by the Corporation, at any time within 90 days of this date, may give notice to the Corporation that he desires his cash equivalent to be established. The cash equivalent shall be determined in the manner provided in subsection (a) of this section except that (1) the basic market price to be used shall be the basic market price, as determined by the Corporation, on the date that such notification is received in the appropriate branch office of the Corporation or the date on which the 90-day period expires, whichever is earlier, and (2) in computing the cash equivalent, a deduction shall be made, in addition to the deduction of the price

differential, of an amount per bushel, based on the length of time elapsing between the date of approval of the statement in proof of loss and the date the cash equivalent is established, computed at the following rates:

	<i>Per bushel</i>
1 to 14 days-----	\$0.00
15 to 29 days-----	0.005
30 to 44 days-----	0.01
45 to 59 days-----	0.015
60 to 74 days-----	0.02
75 to 90 days-----	0.025

The period for computing this charge shall begin with and include the day following the date on which the statement in proof of loss is approved by the Corporation and shall end with and include the date on which notification by the insured is received in the branch office or the date on which the 90-day period expires, whichever is earlier: *Provided, however,* That if any of these dates fall on other than a business day, the date of the next following business day shall be used. The right to notify the Corporation of the date to be used in establishing the cash equivalent shall not be assignable and the provisions of sections 84, 86, 87, and 89 of these regulations shall be applicable to the exercise of this right.

SEC. 73. Payment of indemnity in wheat.—Where an indemnity is paid in wheat, payment shall be in the form of a warehouse receipt representing flat wheat of the number of bushels approved by the Corporation as the amount of loss and of the basic class and grade specified for the payment of the premium for the insurance contract, or its equivalent in wheat of any other class, grade, or quality, as determined by the Corporation.

SEC. 74. Adjustments in connection with indemnity payments.—Where an indemnity has been paid under the insurance contract and an adjustment of such indemnity is made, such adjustment shall be made on the basis of the cash equivalent applicable to the indemnity paid, whether or not such indemnity was paid in wheat or in the cash equivalent thereof.

PART VIII

Change of Insured's Interest

SEC. 80. Termination of all or part of insured's interest in the entire insured crop.—

(a) If, at the time of loss, the insured's interest in the crop has been terminated for any reason, no indemnity shall be payable under the insurance contract except as provided otherwise in this part VIII.

(b) If, at the time of loss, the insured's interest in the crop is less than the interest specified in his application for insurance, due to a transfer of a *portion of his interest in the entire crop* to another person, any indemnity payable to the insured shall be computed on the basis of his interest in the crop at the time of loss and no indemnity shall be paid to the person to whom such portion of the interest stated in the application has been transferred, unless there has been a transfer in part of the insurance contract in accordance with section 81 of these regulations.

(c) If, *prior to the beginning of the seeding of the wheat crop*, the insured's interest in the crop becomes less than the interest stated in his application for insurance, due to a transfer of a portion of his interest in the entire crop to another person, the insurance contract shall be effective only with respect to the interest of the insured at the time of the beginning of the seeding of the wheat crop, unless, prior to the beginning of the seeding of the wheat crop, the insured, with the approval of the Corporation, transfers the insurance contract in part in accordance with section 81 of these regulations.

(d) The insured's interest shall not be deemed to have been terminated by virtue of the imposition of a lien, whether by voluntary action or process of law, upon the insured crop, or by the appointment of a receiver or moratorium officer with respect to such crop, the commencement of bankruptcy proceedings, or proceedings for the foreclosure of a lien. The insured shall be

deemed to have an interest in the crop so long as he has any right of redemption therein.

SEC. 81. Transfer of the insured's contract in connection with transfer of the crop or portion thereof.—(a) An insurance contract may be transferred, with the approval of the Corporation, in connection with the transfer by the insured of *all his interest in the insured crop* before the time of loss. An insurance contract may also be transferred in part, with the approval of the Corporation, in connection with a transfer by the insured of a *part of his interest in the entire insured crop* prior to the time of loss. Any such transfer of the insurance contract must be submitted to the county committee prior to the time of loss and shall be made in the manner prescribed by the Corporation. The Corporation shall, in no case, be bound to accept notice of any transfer of the insurance contract, and nothing herein contained shall give any right against the Corporation to any person other than the insured except to a transferee approved by the Corporation. Where the premium for such contract was paid by means of a request for advance from the Secretary, and such advance has not been repaid, the Corporation may require that the transferee assume the obligation to repay such advance to the extent of the premium attributable to the interest transferred.

(b) If the insured, *prior to the beginning of the seeding of the wheat crop*, has an interest in less acreage to be seeded to wheat than the acreage covered by his application, the insurance contract will be revised, with the approval of the Corporation, to cover only the acreage in which the insured has an interest. If the insured makes a voluntary transfer of his *entire interest in a portion of the wheat acreage* to another person *subsequent to the beginning of the seeding of the wheat crop*, and such other person complies with the provisions of the insurance contract as applied to such portion of the crop, the amount of loss shall be determined as if such transfer did not take place, and the Corporation may pay the indemnity to the insured on behalf

of the insured and such other person having an interest in the crop or may issue a joint check to the insured and such other person.

SEC. 82. Collateral assignment of insurance contract.—An insurance contract may be assigned as collateral security for a current loan, current advances to assist in the making of a crop, the amount of the current year's rental due under a leasing agreement with respect to the farm upon which the insured crop is or will be seeded, or the amount of the current annual installment due under a purchase, mortgage, or trust agreement covering the purchase of the farm upon which the insured crop is or will be seeded and an additional amount of any delinquency which may be due under the purchase, mortgage, or trust agreement of not to exceed the amount of the current annual installment including interest and taxes. Such assignment shall be made by the execution of a form prescribed by the Corporation, and, upon approval thereof by the Corporation, the interests of the assignee will be recognized in the event of the payment of indemnity under the insurance contract to the extent of the unpaid balance of the amount (including interest and other charges) for which such assignment was made as collateral security. *Provided, however,* That (1) where any person has paid the premium for any insurance contract by an advance from the Secretary, any indemnity payable under any insurance contract of such person shall be subject to deduction for payment to the Secretary for the amount advanced which is owing at the time the indemnity is payable under any such contract; (2) the Corporation, in payment of the indemnity, may issue a check payable jointly to all persons entitled thereto and that such payment shall constitute a complete discharge of the Corporation's obligation with respect to such loss under the insurance contract; and (3) payment of any indemnity will be subject to all conditions and provisions of the insurance contract. The Corporation's approval of an assignment shall not create in the assignee any right other

than that derived from the assignor. Only one such assignment will be recognized in connection with the insurance contract, but if an assignment is released, a new assignment of the contract may be made.

SEC. 83. Limitations on transfer and assignment.—Except as is otherwise provided in sections 81 and 82 of these regulations, neither the insurance contract nor any claim for indemnity thereunder, or any part or share thereof, or any interest therein, shall be transferable; nor shall any pledge of the contract be recognized. Notwithstanding any assignment, power of attorney, order, or other authority for receiving payment of any claim for indemnity under the insurance contract, any indemnity payable shall be made only to persons entitled to the benefit of the insurance contract as provided in the application and these regulations. The Corporation shall in no case be bound to accept notice of any transfer or assignment of the insurance contract, and nothing therein contained shall give any right against the Corporation to any person other than the insured except to a transferee or assignee approved by the Corporation.

SEC. 84. Death, incompetency, or disappearance of the insured.—(a) Death.

(1) Before loss with administration: If the insured dies before the time of loss, and his interest in the crop forms part of his estate, payment of any indemnity will be made to the duly appointed representative of his estate.

(2) After loss with administration: If the insured dies after the time of loss, payment of any indemnity on account of such loss will be made to the duly appointed representative of his estate.

(3) Before loss without administration: If the insured dies before the time of loss and no legal representative of his estate is appointed or is otherwise legally qualified, payment of any indemnity may be made after the expiration of 30 days from the date of death to any one or more of the persons beneficially entitled to share in the insured's

interest in the crop in behalf of all the persons so entitled. Payment will be made under the provisions of this subsection only if the amount of the indemnity is less than 500 bushels and upon the submission of proof satisfactory to the Corporation that the insured's interest in the crop is part of his estate.

(4) After loss without administration: If the insured dies after the time of loss and no legal representative of his estate is appointed or is otherwise legally qualified, then, subject to the conditions outlined in subsection (a) (3) of this section 84, payment of any indemnity on account of such loss may be made after expiration of 30 days from the date of death to any one or more of the persons beneficially entitled to share in the insured's interest in the crop in behalf of all the persons so entitled.

(b) Incompetency.

(1) Before loss: If, before the time of loss, the insured is judicially declared incompetent to manage his affairs, or his incompetency is otherwise established to the satisfaction of the Corporation, and his interest in the crop remains part of his estate, payment of any indemnity will be made to the guardian, or other legally constituted representative of his estate appointed by a court of competent jurisdiction, or who is otherwise legally qualified. In such case if no guardian or other legal representative of the insured's estate is appointed, or is otherwise legally qualified and the amount of the indemnity is less than 500 bushels, payment of any indemnity may be made to a member of his family standing in the position of a voluntary guardian upon presentation of proof satisfactory to the Corporation that the indemnity is needed and is to be used for the purchase of necessities for the incompetent, or for his wife or minor children or other persons dependent upon him for support. If the insured's interest in the crop is terminated by reason of his incompetency, any relative by blood or connection by marriage of the insured who succeeds to his interest in the crop, but no

other person, shall be entitled to the benefit of the insurance contract.

(2) After loss: If, after the time of loss, the insured is judicially declared incompetent to manage his affairs, or his incompetency is otherwise established to the satisfaction of the Corporation, payment of any indemnity will be made to the guardian or other legally constituted representative of his estate appointed by a court of competent jurisdiction or who is otherwise legally qualified. If there be no such guardian or other legal representative, and the amount of the indemnity is less than 500 bushels, payment of any indemnity may be made to a member of the insured's family standing in a position of voluntary guardian upon presentation of proof satisfactory to the Corporation that the indemnity is needed and is to be used for the purchase of necessities for the incompetent, or for his wife or minor children or other persons dependent upon him for support.

(c) Disappearance.

(1) Before loss: If, before the time of loss, the insured disappears and such insured's interest in the crop covered by the insurance contract is not terminated thereby, any indemnity payable will be paid to the conservator or other legally qualified representative of his estate. If there be no such conservator or other legal representative, and the amount of the indemnity is less than 500 bushels, payment of the indemnity may be made to any member of the insured's family upon the presentation of proof satisfactory to the Corporation that the proceeds of such indemnity are needed and are to be used for the purchase of necessities for the insured's wife or minor children or other persons dependent upon him for support. If the insured's interest in the crop is terminated by reason of his disappearance, any relative by blood or connection by marriage of the insured who succeeds to his interest in the crop, but no other person, shall be entitled to the benefit of the insurance contract.

(2) After loss: If, after the time of loss, the insured disappears, payment of any indemnity will be made to the conservator or

other legally qualified representative of his estate, but if there be no such conservator or other legal representative and the amount of the indemnity is less than 500 bushels, payment of the indemnity may be made to a member of the insured's family upon presentation of proof satisfactory to the Corporation that the proceeds of such indemnity are needed and are to be used for the purchase of necessities for the insured's wife or minor children or other persons dependent upon him for support.

(3) Definition of disappearance: An insured shall be deemed to have disappeared within the meaning of this section if he leaves the farm covered by the insurance contract and his whereabouts have been unknown for a period of 150 days.

(d) Indemnity payment amounting to 500 bushels or more.

(1) If the insured dies, becomes incompetent or disappears and his interest in the crop remains part of his estate, payment of any indemnity amounting to 500 bushels or more will be made only to his legal representative.

SEC. 85. Diverse interest.—Except as is otherwise provided in sections 80, 81, 82, and 87 of these regulations, if at the time of loss it appears that one or more persons have an interest with the insured in the percentage of the crop covered by the insurance contract, or that the insured has contracted to sell his interest in the insured crop or any portion thereof to another person or persons, or has contracted to sell the farm covered by the insurance contract, or any portion thereof, to such other person or persons but the sale has not been completed such other person or persons, if and insofar as their interests in the crop are not otherwise insured by them or on their behalf against such loss, shall be entitled to the benefit of the insurance contract as their interests may appear. However, the loss may be adjusted with the insured, and payment of any indemnity may be made to the insured in behalf of all persons interested in such

crop, whether or not the insured has been authorized to receive such payment by such other persons, and such payment shall constitute a complete discharge of the Corporation's obligation with respect to such loss under the insurance contract.

SEC. 86. Fiduciaries.—Any indemnity payable under an insurance contract entered into in the name of a fiduciary who is no longer acting in such capacity at the time for the payment of indemnity will be paid to the succeeding fiduciary upon appropriate application and proof satisfactory to the Corporation of his incumbency. In the event that there is no succeeding fiduciary, payment of indemnity shall be made to the persons beneficially entitled to the interest in the insured crop to the extent of their respective interests upon proper application and proof of the facts: *Provided, however,* That the loss may be adjusted with any one or more of the persons so entitled, and payment may be made to such person or persons in behalf of all the persons so entitled, whether or not the person to whom payment is made has been authorized to receive such payment by the other persons so entitled.

SEC. 87. Creditors.—An interest existing by virtue of a debt, lien, mortgage, garnishment, levy, execution, bankruptcy, or any other legal process shall not be considered an interest in an insured crop within the meaning of these regulations.

Any indemnity payable under an insurance contract shall be paid to the insured, or to such other person as may be entitled to the benefits of the insurance contract under the provisions of these regulations, notwithstanding any attachment, garnishment, receivership, trustee process, judgment, levy, execution, lien, mortgage, foreclosure, order, decree, or similar process of law, equity, or bankruptcy directed against the insured or such other person, or against any indemnity alleged to be due to such person, nor shall the Corporation or any officer, employee, or representative thereof be a proper party to any suit or action with reference to such indem-

nity or the proceeds thereof nor be bound by any judgment, order, or decree rendered or entered therein. No officer, agent, or employee of the Corporation shall pay, or cause to be paid, to any person other than the insured or other person entitled to the benefits of the insurance contract, any indemnity payable in accordance with the provisions of the insurance contract because of any such process, order, or decree. Nothing herein contained shall excuse any person entitled to the benefits of the insurance contract from full compliance with, or performance of, any lawful judgment, order, or decree with respect to the disposition of any sums paid thereunder as an indemnity.

SEC. 88. *Determination of person to whom indemnity shall be paid.*—In any case where the insured has died, has become incompetent, has disappeared, or has ceased to act as a fiduciary, payment in accordance with the provisions of these regulations will be made only after the facts have been established to the satisfaction of the Corporation. The determination of the Corporation as to the existence or nonexistence of a circumstance in the event of which payment may be made to a person other than the named insured and of the person to whom such payment shall be made shall be final and conclusive. Payment of any indemnity in accordance with an adjustment made with such person shall constitute a complete discharge of the Corporation's obligation with respect to the loss for which such indemnity is paid and shall be a bar to recovery by any other person.

SEC. 89. *Payment, conditioned upon compliance with provisions of the insurance contract.*—Payment of any indemnity, whether to the applicant or any other person determined by the Corporation to be entitled to such indemnity in accordance with the provisions of these regulations, will be made only upon full compliance with all the provisions of the contract, including the warranties and provisions relating to notice and proof of loss.

PART IX

Advances by the Secretary

SEC. 90. *Payment of premium by means of advances.*—Premiums may be paid by means of advances from the Secretary under the provisions of "An Act to amend section 12 of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing advances for crop insurance," approved March 25, 1939. The cash equivalent of any such premium shall be determined in the manner provided for in part III of these regulations and the date for the determination of such cash equivalent shall be the date upon which the request for such advance is made. Requests for advances from the Secretary for the payment of premiums on behalf of applicants participating or agreeing to participate in the 1941 Agricultural Conservation Program shall be made at the time the application is submitted to the Corporation.

SEC. 91. *Refund of payments made by means of advances.*—Refund of any payment made to the Corporation by means of an advance by the Secretary shall be made to the Secretary, unless, (1) the Secretary has recovered the entire amount advanced, in which case the refund will be made to the insured, or, (2) the Secretary has recovered a portion of the advance, in which case the amount of the refund necessary to reimburse the Secretary for the unrecovered amount advanced will be made to the Secretary and the remainder to the insured. The amount of any such refund shall be determined in the manner provided in part IV of these regulations.

SEC. 92. *Deductions from indemnities to reimburse Secretary.*—The Corporation may deduct and pay to the Secretary from the indemnity payable under any insurance contract to a person who has secured an advance from the Secretary for payment of the premium on any insurance contract, including

any contract with respect to a previous crop year, the amount necessary in order that the Secretary may be reimbursed for the entire amount advanced.

PART X

Miscellaneous

SEC. 100. Gender and plural meaning of terms.—Any term used in the masculine or in the singular shall also be construed or applied in the feminine or neuter gender, or in the plural person, wherever the context or application of such term so requires.

SEC. 101. Fractional units in acres and yields.—Fractions of yields per acre and loss costs shall be rounded to the nearest tenth of a bushel. Fractions of premium rates shall be rounded to the nearest hundredth of a bushel. Fractions of bushels, other than yields per acre, loss costs, and premium rates, shall be rounded to the nearest bushel. Fractions of acres representing total acres of wheat shall be rounded to the nearest tenth of an acre. Computations shall be carried to one digit beyond the digit that is to be rounded. If the extra digit computed is 1, 2, 3, or 4, the rounding shall be downward. If the extra digit computed is 6, 7, 8, or 9, the rounding shall be upward. If the extra digit computed is 5, the computation shall be carried to another digit. If the two extra digits are 50, the rounding shall be downward, and if the two extra digits are 51 or any higher figure, the rounding shall be upward.

SEC. 102. Other insurance.—If the insured has or acquires any other “all-risk” insurance against substantially all the risks that are insured against under the insurance contract on the crop or portion thereof covered in whole or in part by such insurance contract, whether valid or not, or whether collectible or not, the liability of the Corporation shall not be greater than its share would be if the amount of its obligation were divided equally

between the Corporation and such other insurer or insurers.

SEC. 103. Subrogation.—The Corporation may require from the insured an assignment of all rights of recovery against any party for loss or damage to the extent that payment therefor is made by the Corporation, and the insured shall execute all papers required and shall do everything that may be necessary to secure such rights.

SEC. 104. Suit.—No suit or action shall be brought to enforce any claim for loss under the insurance contract unless all the requirements of such contract shall have been complied with.

SEC. 105. Restriction on purchase and sale of wheat.—Insofar as practicable, the Corporation shall purchase wheat only at the rate and to a total amount equal to the payment of premiums in cash by farmers or to replace promptly wheat sold to prevent deterioration; and shall sell wheat only to the extent necessary to cover payments of indemnities and to prevent deterioration: *Provided, however,* That nothing in this section shall prevent prompt offset purchases and sales of wheat for convenience in handling.

SEC. 106. Review of determinations of county committees.—All determinations by county committees shall be subject to review and approval or revision by duly authorized representatives of the Corporation.

Adopted by the Board of Directors on May 14, 1940.



A. M. Evans

Chairman.

APPROVED:



H. Wallace

Secretary of Agriculture.